

Date Mailed
October 7, 1999

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of Madison Gas and Electric Company for Authority
To Change Electric and Natural Gas Rates

3270-UR-109

NOTICE OF THIRD HEARING

Direct Testimony Due:	Wednesday, October 13, 1999– Noon
Rebuttal Testimony Due:	Wednesday, October 20, 1999 – Noon
Surrebuttal Testimony Due:	Monday October 25, 1999 (Monday)– 9:00 a.m.
Hearing Date:	Monday, October 25, 1999 – 10:00 a.m.
Hearing Location:	Public Service Commission, 610 North Whitney Way, Madison, WI (Amnicon Falls Hearing Room - 1st Floor)

On January 14, 1999, the Public Service Commission (Commission) issued an order in docket 3270-UR-109 authorizing a rate increase of \$8,402,000 for electric utility operations and \$728,000 for gas utility operations for Madison Gas and Electric Company (MGE). The order also provided that this case would be reopened to address the rate impacts of the proposed sale of the Kewaunee Nuclear Power Plant (KNPP) and any change in fuel costs estimated to occur in calendar year 2000. The proposed sale of the KNPP has been delayed until the fall of 2001.

In its filing dated July 16, 1999, MGE requested a rate increase of \$9.9 million for its electric operations, a 5.7 percent increase, and no change in its natural gas rates for 2000 to recover its costs associated with the following issues: (1) the increase in calendar year 2000 fuel costs; (2) the increase in KNPP operating and maintenance costs associated with both the normal refueling outage and the steam generator repairs; (3) the deferral of increased Columbian Energy Center operating and maintenance costs; (4) the decrease in M-34 Combustion Turbine costs; (5) the estimated increase in Backup Generator Service costs; (6) Public Service Commission and attorney costs associated with this reopening; and (7) the amount refundable to rate payers derived from the initial payment MGE received from the steam generator tube degradation and maintenance settlement less the amount of the deferred 1998 steam generator repair costs.

On July 16, 1999, MGE also filed an application with the Commission for an increase in rates for electric service of \$3,042,000 due to an emergency increase in fuel costs. A hearing was held in Madison on August 16, 1999, before Administrative Law Judge Jeffry Patzke. In its

fuel rate order dated August 26, 1999, the Commission authorized surcharges for retail electric utility service resulting in an estimated increase of \$5,899,000 in electric revenues on an annual basis, an increase of 3.6 percent. Electric revenues resulting from these surcharges are subject to refund.

On August 26, 1999, the Commission issued its order authorizing the following issues to be addressed in the reopening of this docket: (1) the increase in calendar year 2000 fuel costs; (2) the increase in KNPP operating and maintenance costs associated with both the normal refueling outage and the steam generator repairs; (5) the estimated increase in Backup Generator Service Costs; and (7) the amount refundable to rate payers from the initial payment received from the steam generator tube degradation and maintenance settlement less the amount of the deferred 1998 steam generator repair costs.

On September 8, 1999, a prehearing conference was held to identify the persons who will actively participate as full parties, to determine the time and date of the hearing, and to specify the dates for filing testimony and exhibits.

In supplemental testimony dated October 1, 1999, MGE increased the amount of additional revenue it is requesting by \$2,045,000 to reflect additional fuel costs in 2000 that were not included in its initial filing.

The utility is responsible for giving notice to its customers of the filing of its application with the Commission and, pursuant to Wis. Admin. Code § PSC 2.73, for producing proof of notice at the hearing.

NOTICE IS GIVEN that a hearing will be held beginning on Monday, October 25, 1999, at 10:00 a.m. in the Amnicon Falls Hearing Room at the Public Service Commission Building, 610 North Whitney Way, Madison, Wisconsin, and continuing at times to be set by the presiding Administrative Law Judge. This building is accessible to people in wheelchairs through the Whitney Way first floor (lobby) entrance. Parking for people with disabilities is available on the south side of the building. Any person with a disability who needs additional accommodations or who needs to get this document in a different format should contact the case coordinator listed below.

Persons who desire to actively participate as full parties must request full party status in writing. Full party status requests should be addressed to Jeffry Patzke, Administrative Law Judge, Public Service Commission of Wisconsin, Office of Administrative Law Judge, P.O. Box 7854, Madison, Wisconsin 53707-7854.

This is a Class 1 proceeding as defined in Wis. Stat. § 227.01(3)(a).

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The Commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding should contact the case coordinator listed below.

Questions from the media may be directed to Jeffrey L. Butson, Public Affairs Director, at (608) 267-0912.

Questions regarding this matter may be directed to case coordinator Randy Hillebrand at (608) 267-1473.

Dated at Madison, Wisconsin, _____

By the Commission:

Lynda L. Dorr
Secretary to the Commission

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